

One of the most important challenges to intelligence is not only to report developments around the world as they occur, but also to step back and to discern patterns, linkages, and strategies that may be at work and disadvantageous to the United States. During 1985, the pattern of challenges and threats to our strategic interests broadened, sharpened and intensified. It is the direct and indirect relationship between events and patterns that I wish to discuss with you today.

The main thrust against our interests still comes from the Soviet Union. The Soviets continue the modernization and expansion of their military forces both conventional and strategic. Even at a time of economic difficulty and a reordering of domestic priorities in the Soviet Union, it appears that Soviet defense programs have been protected (show graphic given to Weinberger about projected purchase of specific weapon systems from 86-90 compared to 81-85). The prospect then is for continuation of the steady 20 year expansion and modernization of Soviet strategic and conventional forces. The cumulative effect of this buildup is so great that the United States has only begun to catch up (show MacEachin's chart on cumulative weapons bought from 74-84).

This huge military force and its continued growth may never be used against the United States or NATO -- although the Soviets clearly are prepared to do so if their vital interests are threatened. But the mere existence of this force not only

validates the Soviet Union as a super power but has an intimidating effect on countries around the world as the Soviets seek to expand their presence, influence, and power. It represents a backdrop for an aggressive challenge being played out worldwide, but most particularly on the ground in the Third World and in the vicinity of critical sea lanes.

It is in the Third World that we see the Soviet Union supporting Marxist-Leninist regimes in Angola, Nicaragua, Afghanistan, Cambodia, South Yemen and Ethiopia. In most of these, within the past year to eighteen months -- that is, under Gorbachev -- we have seen significant new Soviet assistance both in the form of military supplies and advisors as well as economic aid. In the last five months alone the Soviets have extended a \$600 million credit to Nicaragua, a \$1 billion in new economic assistance to Vietnam, and a \$1.5 billion in Angola. Each of these five countries has become an outpost for Soviet intelligence collection, propaganda and subversion in its respective region. Several have undertaken on their own to destabilize neighboring regimes. Virtually all are strategically located either near important strategic choke points or in areas of almost certain regional conflict.

Beyond the consolidation of their position in each of these Soviet outposts, there is the spread of Soviet subversion -- active measures, support to insurgent forces, efforts to destabilize countries friendly to the West and exploitation of economic hardship and political instability for strategic advantage. In the case of both their outposts and their support

to subversive groups, there is a flood of weapons pouring out [redacted]
[redacted] to regimes and groups all over
the world supporting Soviet objectives.

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Paralleling these developments, in which the Soviet hand is clear, we have seen the emergence of other forces which they support both directly and indirectly and which also challenge US interests. Primary among these has been the emergence of what we would call the radical entente of Syria, Libya and Iran, all of which share the common objective of expelling the United States from the Middle East, the Persian Gulf and Southwest Asia. Their support for the war of terrorism against the United States and its allies is unmistakable and fundamental to their continuing successes in that war.

Finally, there are areas of great instability, for example, in Southern Africa and in the Philippines which US and Western political and strategic interests are at risk and which offer the potential of enormous gain to the Soviets.

There is a tendency in this country too often to focus on discrete events and great skepticism about drawing linkages and relationships between events. But in providing you a portrayal of how the Intelligence Community views the world in 1986, I hope in addressing each of these areas in detail to substantiate for you the patterns I have just described and the challenges we face. Because it is only through understanding these patterns and relationships that the United States can shape a strategy for meeting these challenges.